



# MEMORANDUM

Agenda Item No. 9(E)(1)(A)

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**TO:** Honorable Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** March 16, 2004

**FROM:** George M. Burgess  
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", is written over the printed name of George M. Burgess.

**SUBJECT:** Application for Industrial  
Development Revenue  
financing for Florida  
Grand Opera, Inc.

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The attached item (Florida Grand Opera, Inc.) has been placed on the March 16, 2004 County Commission Agenda at the request of the Chairman of the Miami-Dade County Industrial Development Authority.

MEMORANDUM

TO: Honorable Chairperson Barbara Carey-Shuler, Ed. D. DATE: March 16, 2004  
and Members, Board of County Commissioners

FROM: Albert Morrison, Jr., Chairman  
Miami-Dade County  
Industrial Development Authority

SUBJECT: Application for Industrial  
Development Revenue  
financing for Florida Grand  
Opera, Inc.



RECOMMENDATION

It is recommended that the Board approve the issuance of the Authority's Industrial Development Revenue Bonds for Florida Grand Opera, Inc., as detailed in the attached reports.

BACKGROUND

Review and analysis of the project has been completed by the Authority, County Attorney's Office, and Bond Counsel. The Authority has conducted the federally required public hearing, as detailed in the attached reports.

Florida Grand Opera, Inc., a 501(c)(3) not-for-profit Florida corporation currently headquartered at the Arturo di Filippi Educational Center, 1200 Coral Way, City of Miami, has applied for Industrial Development Revenue Bond financing assistance in a maximum principal amount not to exceed \$25,000,000. The bond issue proceeds, which will be guaranteed by a letter of credit from a rated financial institution, will be used to provide financing for the construction and equipping of the proposed James Byrd Anderson Opera Center complex to be located on previously acquired land located adjacent to the Performing Arts Center site at 1411 NE 2<sup>nd</sup> Avenue, City of Miami, and to pay certain bond issuance costs. The Florida Grand Opera, Inc. reports it currently employs approximately 42 full-time and over 250 part-time/seasonal staff and project completion of the proposed project will result in the creation of an additional 16 new full-time and 38 part-time/seasonal positions.

The Florida Grand Opera, Inc. was previously approved for Industrial Development Revenue Bond financing by the Board on March 11, 2003 (Resolution No. R-238-03). However, the company delayed closing on the bond issue as additional time was required to complete the opera center's architectural plans and to conduct additional fundraising activities. Construction of the center is expected to begin by June 2004.

  
Assistant County Manager

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# MEMORANDUM

(Revised)

**TO:** Hon. Chairperson Barbara Carey-Shuler, Ed.D.  
and Members, Board of County Commissioners

**DATE:** March 16, 2004

**FROM:**   
Robert A. Ginsburg  
County Attorney

**SUBJECT:** Agenda Item No. 9 (E) (1) (A)

Please note any items checked.

- ☐ "4-Day Rule" ("3-Day Rule" for committees) applicable if raised
- ☐ 6 weeks required between first reading and public hearing
- ☐ 4 weeks notification to municipal officials required prior to public hearing
- ☐ Decreases revenues or increases expenditures without balancing budget
- ☐ Budget required
- ☐ Statement of fiscal impact required
- ☐ Bid waiver requiring County Manager's written recommendation
- ☐ Ordinance creating a new board requires detailed County Manager's report for public hearing
- ☐ Housekeeping item (no policy decision required)
- ☐ No committee review

Approved \_\_\_\_\_ Mayor

Veto \_\_\_\_\_

Override \_\_\_\_\_

Agenda Item No. 9(E)(1)(A)

3-16-04

RESOLUTION NO. \_\_\_\_\_

RESOLUTION APPROVING ISSUANCE OF MIAMI-DADE  
COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY  
INDUSTRIAL DEVELOPMENT REVENUE BONDS IN AN  
AMOUNT NOT TO EXCEED \$25,000,000 TO FINANCE  
CAPITAL PROJECT FOR BENEFIT OF THE FLORIDA  
GRAND OPERA, INC. FOR PURPOSES OF AND  
PURSUANT TO SECTION 147(F) OF INTERNAL  
REVENUE CODE OF 1986, AS AMENDED

WHEREAS, the Florida Grand Opera, Inc., a 501(c)(3) not-for-profit Florida corporation (the "Company"), has requested the Miami-Dade County Industrial Development Authority (the "Authority") to issue not exceeding \$25,000,000 aggregate principal amount of its Industrial Development Revenue Bonds (The Florida Grand Opera Project) (the "Bonds"), the proceeds of which will be used to finance the construction and equipping of the proposed James Byrd Anderson Opera Center, including a parking facility, and the payment of costs of issuance of the Bonds (the "Project"); and

WHEREAS, the Authority intends to issue the Bonds subject to approval by the Board of County Commissioners of Miami-Dade County, Florida (the "Board") and final approval by the Authority

of the financing documents for the Project, which is more particularly described in the report prepared by the Executive Director of the Authority, (a copy of which is attached hereto as Exhibit A); and

WHEREAS, on Monday, January 26, 2004, the Authority held a public hearing, notice of which was published on Monday, January 12, 2004 in The Miami Herald (a copy of which notice is attached hereto as Exhibit B), for the purpose of giving all interested persons an opportunity to express their views in connection with the issuance of the Bonds, as required by Section 147(f) of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, after reviewing a copy of the transcript of the Authority's public hearing held on Monday, January 26, 2004, in respect of the Bonds, (a copy of which transcript is attached hereto as Exhibit C), and finding that the Project will inure to the benefit of the citizens of Miami-Dade County, this Board desires to approve the issuance of the Bonds for the purpose of complying with Section 147(f) of the Code,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA:

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Section 1. The issuance of Revenue Bonds of the Miami-Dade County Industrial Development Authority in an aggregate principal amount not to exceed \$25,000,000 for the purpose of financing all or a portion of the costs of the Project, as previously described, is approved.

Section 2. The Bonds and the interest on the Bonds shall not constitute a debt, liability or general obligation of the Authority, the County or of the State of Florida or of any political subdivision thereof, but shall be payable solely from the revenues or other moneys specifically provided by the Company for the payment of the Bonds and neither the faith and credit nor any taxing power of the Authority, the County or of the State of Florida or of any political subdivision thereof is pledged to the payment of the principal or interest on the Bonds.

The foregoing resolution was offered by Commissioner  
, who moved its adoption. The  
motion was seconded by Commissioner  
and upon being put to a vote, the vote was as follows:

Dr. Barbara Carey-Shuler, Chairperson  
Katy Sorenson, Vice-Chairperson

Bruno A. Barreiro	Jose "Pepe" Diaz
Betty T. Ferguson	Sally A. Heyman
Joe A. Martinez	Jimmy L. Morales
Dennis C. Moss	Dorrin D. Rolle
Natacha Seijas	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 16th day of March, 2004. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA  
BY ITS BOARD OF COUNTY  
COMMISSIONERS

HARVEY RUVIN, CLERK

Approved by County Attorney as  
to form and legal sufficiency. Howard W. Whitaker

By: \_\_\_\_\_  
Deputy Clerk

Howard W. Whitaker

# FLORIDA GRAND OPERA, INC.

## THE CORPORATION

The Florida Grand Opera, Inc., a 501(c)(3) not-for-profit corporation, is currently headquartered at the Arturo di Filippi Educational Center, 1200 Coral Way, City of Miami. The Florida Grand Opera is entering its sixty-second consecutive season of bringing Grand Opera to South Florida. The corporation, which reports it's the nation's seventh oldest and the southeast's premiere opera company, was incorporated in 1994 by the merging of the Greater Miami Opera (founded in 1941) and the Opera Guild, Inc. of Fort Lauderdale (founded in 1946). The Florida Grand Opera currently performs a season of five grand operas, with a minimum of 35 performances, as well as lesser-known operas by the great composers and commissions and produces works of living composers. In addition, the Opera reports they feature several highly successful outreach and educational programs including its internationally-recognized Young Artist Studio which attracts young singers to Miami to train and enhance their professional skills during a 35 week residency. The Florida Grand Opera is one of the five resident companies of the new Performing Arts Center of Greater Miami, currently under construction.

## THE PROJECT

The Florida Grand Opera, Inc. is requesting Revenue Bond financing assistance in an amount not to exceed \$25,000,000 to facilitate the construction of the proposed James Byrd Anderson Opera Center to be located on a previously acquired land site located adjacent to the Performing Arts Center site at 1411 NE 2<sup>nd</sup> Avenue, City of Miami.

### Elements of the proposed project include:

1. Land – approximately 43,000 sq. ft.: ----- Previously Acquired
2. New Construction – approximately 230,000 sq. ft. including: ----- \$23,850,000

•	500-seat theatre - approx. 24,000 sq. ft.	-----	\$ 2,385,204
•	Production office, costume shop, rehearsal halls, class and coaching rooms, music library and ticket office - approx. 25,600 sq. ft.	-----	\$ 2,623,475
•	Administrative Offices - approx. 20,000 sq. ft.	-----	\$ 2,146,480
•	Gift Shop and Restaurant - approx. 5,000 sq. ft.	-----	\$ 476,995
•	Artist Residences - approx. 30,000 sq. ft.	-----	\$ 2,384,977
•	Gallery, support organizations, patron and maintenance areas - approx. 21,900 sq. ft.	-----	\$ 2,146,480
•	300 space parking garage - approx. 103,500 sq. ft.	-----	\$11,686,389



### **FINANCIAL SUFFICIENCY**

Audited financial statements for the Florida Grand Opera, Inc. for the fiscal years ended May 31, 2003, 2002 and 2001 have been provided.

A review of the submitted financial and related information indicates:

<b><u>SOURCE OF FUNDS</u></b>		<b><u>USE OF FUNDS</u></b>	
Bond Issue Proceeds*	\$25,000,000	Building Construction	\$ 23,850,000
		Capitalized Interest Fund	575,000
		Letter of Credit Fee	250,000
		Bond Issuance Expenses	325,000
<b>TOTAL</b>	<b><u>\$25,000,000</u></b>	<b>TOTAL</b>	<b><u>\$25,000,000</u></b>

\* Any costs related to the bond issue and development of the project which cannot be paid out of bond proceeds will be borne by the corporation.

#### **Information relative to the proposed financial structure includes:**

Financial Structure:	Corporate Debt.
Security:	First mortgage on all assets financed with bond proceeds including the previously acquired free and clear 43,000 sq. ft. land site located at 1411 NE 2 <sup>nd</sup> Avenue, City of Miami.
Guarantee:	Letter of Credit from a rated financial institution acceptable to the Authority.
Marketing:	Private placement.

### **LEGAL**

Under the 1986 Tax Act, facilities for 501(c)(3) corporations are eligible for financing with tax-exempt industrial development revenue bonds providing the project is part of the corporation's normal course of business. Bonds issued for the benefit of a 501(c)(3) corporation are also exempt from the requirement of being included under the state bond volume cap. No issuance allocation is required.

### **ECONOMIC IMPACT**

The Florida Grand Opera reports it currently has 42 full-time and over 250 part-time/seasonal staff and projects completion of the proposed project will result in the need for an additional 16 new full-time and 38 part-time/seasonal persons including stage hands, technical staff, ushers etc.

In addition to the new job opportunities, completion of the project will enable the Florida Grand Opera to gain operational efficiency through the consolidation of operations, increase revenues by expanding the number of grand opera performances from five to six, as well as provide theatre access to several other local organizations, including Miami-Dade Community College, City Theatre, Dance Esaias, South Florida Youth Symphony, Miami Light Project, New World School of the Arts, Maximum Dance Company, Miami-Dade Cultural Affairs and the Coconut Grove Playhouse.

18A | MONDAY, JANUARY 12, 2004 A

**MIAMI-DADE COUNTY  
INDUSTRIAL DEVELOPMENT AUTHORITY  
TEFRA/PUBLIC HEARING**

The Miami-Dade County Industrial Development Authority (the "Authority") has been requested to issue its Industrial Development Revenue Bonds for the following capital projects:

**Florida Grand Opera, Inc. project** in a maximum principal amount not to exceed \$25,000,000 (the "Bonds"), the proceeds of which will be used by The Florida Grand Opera, Inc. ("Florida Grand Opera"), a 501(c)(3) not-for-profit corporation, to provide financing for the construction and equipping of the proposed James Byrd Anderson Opera Center (approximately 230,000 sq. ft.), including a parking facility (the "Project"), and for the payment of the costs of issuance of the Bonds. The Project will be located at 1411 NE 2<sup>nd</sup> Avenue in the City of Miami, Florida. The Project will be owned by Florida Grand Opera.

**Friends of Lubavitch of Florida, Inc. project** in a maximum principal amount not to exceed \$10,000,000 (the "Bonds"), the proceeds of which will be used by Friends of Lubavitch of Florida, Inc., a Florida not-for-profit corporation (the "Company") to: (i) refinance existing debt of the Company incurred to finance the acquisition, rehabilitation, expansion and equipping of the Company's new educational facility for pre-school through high school and learning disabilities educational program located at 17330 N.W. 7th Avenue in unincorporated Miami-Dade County, Florida (the "Cloverleaf Campus"); (ii) finance the acquisition of additional furnishings and equipment and construction of a playground at the Cloverleaf Campus; (iii) refinance existing debt incurred to develop the Company's existing Rabbinical College located at 1140 Alton Road, City of Miami Beach, Florida; and (iv) pay costs related to the issuance of the Bonds (collectively, the "Project"). The Project will be owned and operated by the Company.

**Titan America LLC applying on behalf Tarmac America LLC and Pennsuco Cement Company LLC project** in a maximum principal amount not to exceed \$60,000,000 (the "Bonds"), the proceeds of which will provide financing for the construction and equipping of (i) the conversion, improvement, renovation and equipping of a cement plant, which process includes the collection, storage, treatment, recycling and disposal of solid waste, located at 11000 NW 121st Way in the town of Medley, Florida in Miami-Dade County (known as the "Pennsuco Plant"), and (ii) to pay for certain bond issuance costs (the "Project"). The Project will be owned and operated by Titan America LLC, a Delaware limited liability company (the "Company") and/or its subsidiaries Tarmac America LLC and Pennsuco Cement Company LLC.

**Waste Management, Inc. applying on behalf of Waste Management Inc. of Florida project** in a maximum principal amount not to exceed \$21,000,000 (the "Bonds"), the proceeds of which will be used to finance (i) construction of a new building and improvements to existing facilities at the Company's solid waste disposal facility located at 5000 N.W. 37th Avenue, in the City of Miami, Florida; (ii) landfill development costs for the Company's landfill located at 9350 N.W. 89th Avenue, in the Town of Medley, Florida consisting of landfill cell construction and liners, leachate and methane gas systems and related equipment, and improvements to existing facilities located at this site; (iii) the acquisition of collection and support vehicles, solid waste containers and related equipment for use in connection with the Company's solid waste disposal facility located at 2125 N.W. 10th Court, in the City of Miami, Florida, and improvements to existing facilities located at this site; and (iv) costs related to the issuance of the Bonds (collectively, the "Project"). The Project will be owned and operated by Waste Management, Inc. and/or its subsidiary, Waste Management Inc. of Florida.

The Bonds shall not be a debt, liability or obligation of the Authority or of Miami-Dade County, Florida, or of the State of Florida, or of any political subdivision thereof, but shall be payable solely from payments derived from the operations of the Facilities or the security instruments for the Bonds.

Please take note that the Authority will hold a public hearing on these Projects and associated issues regarding the Bonds at the Brickell BayView Centre, 80 SW 8th Street, Suite 2801, Miami, Florida, on **Monday, January 26, 2004** commencing at **11:00 a.m.** or shortly thereafter, at which time any person may be heard regarding the proposed issuance of said Bonds and the projects. The Authority will submit a transcript of the statements made at the hearing to the Board of County Commissioners, Miami-Dade County, Florida, which must approve or disapprove the issuance of the Bonds.

**NOTE: EXHIBIT C WILL BE SUBMITTED IMMEDIATELY  
FOLLOWING PUBLIC HEARING ON MONDAY,  
JANUARY 26, 2004.**

# MIAMI-DADE COUNTY INDUSTRIAL DEVELOPMENT AUTHORITY

## TRANSCRIPT OF PUBLIC HEARING

**MONDAY, JANUARY 26, 2004**

At 11:00 a.m., the Executive Director of the Miami-Dade County Industrial Development Authority announced that the Authority would proceed to hold a public hearing on the issuance of Industrial Development Revenue Bonds. The following is a substantially verbatim account of the proceedings of this hearing.

The following persons were present:

James D. Wagner Jr. <i>Executive Director</i>	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Amanda Llovet <i>Director of Operations</i>	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Cynthia Castillo <i>Administrative Assistant</i>	Miami-Dade County Industrial Development Authority	80 SW 8th Street, Ste. 2801 Miami, Florida 33130
Richard Freshwater <i>Director of Adm. &amp; Finance</i>	Florida Grand Opera, Inc.	1200 Coral Way Miami, Florida 33145
Rabbi Benzion Korf <i>Executive Director</i>	Friends of Lubavitch, Inc.	1140 Alton Road Miami Beach, Florida 33139
Al Townsend <i>Director of Real Estate</i>	Titan America, LLC	455 Fairway Drive Deerfield Beach, Florida 33441
Joe Ruiz <i>Vice President</i>	Waste Management, Inc.	2125 NW 10 Court Miami, Florida 33127

**Executive Director**

We will now conduct the public hearing on the proposed issuance of Industrial Development Revenue Bonds for the capital projects located in Miami-Dade County.

This public hearing is being conducted pursuant to requirements of the Federal Tax Equity and Fiscal Responsibility Act of 1982. The Act requires that in order for the interest on Industrial Development Revenue Bonds to be exempt from Federal Income Tax, such proposed bonds must be approved by either a voter referendum or by an applicable elected legislative body after a public hearing following reasonable public notice.

We have received a copy of a notice advising that the Industrial Development Authority will hold a public hearing on the proposed issuance of Industrial Development Revenue Bonds to finance all or a portion of the capital costs associated with the projects mentioned in that notice. The notice appeared in The Miami Herald on Monday, January 12, 2004, page 18A.

We will now commence the public hearing. The hearing will be conducted in the following format: First, a brief synopsis of the proposed bonds and the project will be provided. Second, testimony from anyone desiring to speak will be heard. Anyone wishing to speak should give their name and address for the record.

The first project for consideration is an Industrial Development Authority Revenue Bond issue for the Florida Grand Opera, Inc. project in a maximum principal amount not to exceed \$25,000,000. The bond proceeds will be used by the Florida Grand Opera, Inc. to provide financing for the construction and equipping of the proposed James Byrd Anderson Opera Center, including a parking facility, and for the payment of the costs of issuance of the Bonds. The project will be located at 1411 NE 2<sup>nd</sup> Avenue in the City of Miami, Florida and owned by Florida Grand Opera, Inc.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Mr. Richard Freshwater, is in attendance representing the applicant. Mr. Freshwater is there anything you would like to add?

**Representative**

There is not.

**Executive Director** The second project for consideration is an Industrial Development Revenue Bond issue for Friends of Lubavitch, Inc. in a maximum principal amount not to exceed \$10,000,000. The bond proceeds will be used to refinance existing debt incurred to finance the acquisition, rehabilitation, expansion and equipping of the Company's new educational facility for pre-school through high school and learning disabilities educational program located at 17330 NW 7<sup>th</sup> Avenue in unincorporated Miami-Dade County, Florida; as well as finance the acquisition of additional furnishings and equipment and construction of a playground; refinance existing debt incurred to develop the Company's existing Rabbinical College located at 1140 Alton Road, City of Miami Beach, Florida; and pay costs related to the issuance of the Bonds. The Project will be owned and operated by the Company.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Rabbi Benzion Korf, is in attendance representing the applicant. Rabbi Korf is there anything you would like to add?

**Representative** No, thanks.

**Executive Director** The third project for consideration is an Industrial Development Authority Revenue Bond issue for the Titan America LLC applying on behalf of Tarmac America LLC and Pennsuco Cement Company LLC project in a maximum principal amount not to exceed \$60,000,000. The bond proceeds will provide financing for the conversion, improvement, renovation and equipping of a cement plant, which process includes the collection, storage, treatment, recycling and disposal of solid waste, located at 11000 NW 121<sup>st</sup> Way in the Town of Medley, Florida in Miami-Dade County, and to pay for certain bond issuance costs. The Project will be owned and operated by Titan America LLC, a Delaware limited liability company and/or its subsidiaries Tarmac America LLC and Pennsuco Cement Company LLC.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Mr. Al Townsend, is in attendance representing the applicant. Mr. Townsend is there anything you would like to add?

**Representative**

No comment.

**Executive Director**

The last project for consideration is a Solid Waste Disposal Revenue Bond issue for Waste Management Inc. applying on behalf of Waste Management Inc. of Florida in a maximum principal amount not to exceed \$21,000,000. The bond proceeds will be used to facilitate the construction of a new building and improvements to existing facilities at the Company's solid waste disposal facility located at 5000 NW 37<sup>th</sup> Avenue, in the City of Miami, Florida; landfill development costs for the Company's landfill located at 9350 NW 89<sup>th</sup> Avenue, in the Town of Medley, Florida consisting of landfill cell construction and liners, leachate and methane gas systems and related equipment, and improvements to existing facilities located at this site; the acquisition of collection and support vehicles, solid waste containers and related equipment for use in connection with the Company's solid waste disposal facility located at 2125 NW 10<sup>th</sup> Court, in the City of Miami, Florida, and improvements to existing facilities located at this site; and costs related to the issuance of the Bonds. The Projects will be owned and operated by Waste Management, Inc. and/or its subsidiary, Waste Management Inc. of Florida.

Action taken by the Authority to date includes a review of the project in accordance with Authority Guidelines and Procedures and the adoption of a Memorandum of Agreement which specifies the terms of the proposed bond issue.

Testimony will now be heard by anyone desiring to speak.

Let the record reflect that Mr. Joe Ruiz, is in attendance representing the applicant. Mr. Ruiz is there anything you would like to add?

**Representative**

No, thank you.

**Executive Director**

This concludes the public hearing scheduled for today. These projects, together with a transcript of today's public hearing, will be forwarded to the Miami-Dade County Board of County Commissioners at a regular meeting, at which time the Commission will approve or disapprove the proposed issuance of Bonds by the Miami-Dade County Industrial Development Authority.